

23 June 1983

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

FROM : Robert M. Gates  
Deputy Director for Intelligence

SUBJECT : Comments on Joseph D. Burns' Paper on  
"The Use of Economic Intelligence"

1. Action Requested: None, for your information only.
2. Background: This memorandum responds to your request for our reactions to Commander Burns' study on how the corporate sector can use economic intelligence.
3. Commander Burns' study on the use of economic intelligence as a tool of public diplomacy presents some interesting new perspectives on how intelligence can be disseminated to the private sector. In implementing a program along the lines of Commander Burns' description, two issues need to be tackled. First, a mechanism for sharing information has to be identified. Second, the question of protecting sources and methods must be addressed.
4. I believe that by dealing with the first issue, many of the concerns embodied in the second will be put into proper perspective. To date, proposals for Agency involvement with the corporate sector have floundered because the issue of how to share information was discussed in the abstract. This meant that most attention was focused on how we could protect sensitive information. Moreover, by failing to focus on dissemination, the studies have by default portrayed the Intelligence Community as taking the lead in any information-sharing scheme. Commander Burns' paper raises a possible Department of Commerce connection -- a link we believe has great merit.
5. In essence, the Department of Commerce should be the agency responsible for taking the lead in dealing with US industry. At this point in time, there is no formal mechanism for the US Government to provide unclassified let alone classified information to the corporate sector on a regular basis. Under our approach the CIA would not contribute

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commercially useful information to the private sector except through a formally established DOC program for sharing all types of information on an equitable basis. The commercial service of the Department of Commerce, as well as many other departments and agencies, would probably generate the bulk of information useful to US industry. Because of this, intelligence would only be a small part of what could be shared.

6. A Commerce lead would provide an established forum within which we could better gauge and control Agency contributions. Based on our frequent interaction with US industry, we believe that most companies would benefit from a systematic analysis of broad-brush trends. Only the most sophisticated companies are likely to want, or be able to use, the most sensitive specific forms of intelligence.

7. Even with the approach I have outlined, there are some hurdles that would have to be overcome. Public knowledge of the Agency's assisting US industry would have wide-ranging political repercussions and adverse effects on HUMINT collection. Because of this, the Agency's involvement should be limited. After we have some experience with the program our role could be enhanced if conditions warrant. This has the side benefit that we would become familiar with handling the least sensitive kinds of information before any thought is given to the possibility of disseminating more sensitive intelligence.

8. Should the Department of Commerce establish a program for sharing information -- including economic intelligence -- with the private sector, I am also concerned about the demands that such a program would place on our own analytical resources. I anticipate numerous requests from the Department of Commerce for information, downgrading of intelligence products, and preparation of papers to support such a program. A growing volume of such requests, many of which may be little more than extensions of Commerce's own staff work, would dilute our abilities to fulfill our own research program.

9. If we can get the Department of Commerce to take an active lead, I believe these problems can be overcome. An evolutionary approach that focuses on the least sensitive information would limit legal concerns. We can see how things work at the lowest end of the sensitivity spectrum before proceeding further. Likewise, by moving one step at a time we will be able to rationally address the issue of the resource commitment which would be required.

Robert M. Gates

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